



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
MONROE COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1998

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Sarah Jane Schaaf, Secretary, Revenue Cabinet
Honorable Russell Young, County Judge/Executive
Members of the Monroe County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Monroe County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Monroe County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Monroe County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Monroe County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1998, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Sarah Jane Schaaf, Secretary, Revenue Cabinet
Honorable Russell Young, County Judge/Executive
Members of the Monroe County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Monroe County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated June 2, 1999, on our consideration of Monroe County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
June 2, 1999

MONROE COUNTY OFFICIALS

Fiscal Year Ended June 30, 1998

Russell Young	County Judge/Executive
Douglas Carter	County Attorney
Patsy J. Rich	County Clerk
Joyce Emberton	Circuit Court Clerk
Beverly McClendon	Sheriff
Freddie Kirkpatrick	Jailer
Gerald Hume	Property Valuation Administrator
Sheryl Conkin	County Treasurer
Charles Strode	Coroner
Alonzo Ford	Magistrate
Wilbur Graves	Magistrate
Eagle Emberton	Magistrate
Ronnie Hollinsworth	Magistrate
James Carl Gill	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

MONROE COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets

General Fund:	
Cash	\$ 130,103
Road and Bridge Fund:	
Cash	152,969
Jail Fund:	
Cash	14,344
Jail Commissary Fund:	
Cash	503
Local Government Economic Assistance Fund:	
Cash	25,886
Public Jail Properties Corporation Bond Fund:	
Investments	52,751
Monroe County Fire and Rescue Squad Fund:	
Cash	4,602
	<hr/>
Total Assets	\$ 381,158
	<hr/>

Liabilities and Fund Balances

Liabilities

Public Jail Properties Corporation Bond Fund:	
Bond Principal Not Matured (Note 3)	\$ 25,000

Fund Balances

Reserved:	
Jail Commissary Fund	503
Monroe County Fire and Rescue Squad Fund	4,602
Unreserved:	
General Fund	130,103
Road and Bridge Fund	152,969
Jail Fund	14,344
Local Government Economic Assistance Fund	25,886
Public Jail Properties Corporation Bond Fund	27,751
	<hr/>
Total Liabilities and Fund Balances	\$ 381,158
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The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

MONROE COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 1,912,503	\$ 913,900	\$ 874,648	\$ 94,518
Transfers In	307,304	44,337		190,000
Jail Commissary Fund Receipts	14,817			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	\$ 2,234,624	\$ 958,237	\$ 874,648	\$ 284,518
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 1,968,197	\$ 865,354	\$ 881,775	\$ 221,068
Schedule of Unbudgeted Expenditures	21,280			
Transfers Out	307,304	196,115	44,337	66,852
Bonds:				
Principal Paid	65,000			
Interest Paid	4,050			
Jail Commissary Fund Expenditures	15,029			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Cash Disbursements	\$ 2,380,860	\$ 1,061,469	\$ 926,112	\$ 287,920
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (146,236)	\$ (103,232)	\$ (51,464)	\$ (3,402)
Cash Balance - July 1, 1997*	527,394	233,335	204,433	17,746
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash Balance - June 30, 1998*	\$ 381,158	\$ 130,103	\$ 152,969	\$ 14,344
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

MONROE COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1998
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Public Jail Properties Corporation Bond Fund	Monroe County Fire and Rescue Squad Fund
\$	\$ 10,622	\$ 2,727 66,852	\$ 16,088 6,115
14,817			
\$ 14,817	\$ 10,622	\$ 69,579	\$ 22,203
\$	\$	\$	\$
			21,280
		65,000 4,050	
15,029			
\$ 15,029	\$ 0	\$ 69,050	\$ 21,280
\$ (212) 715	\$ 10,622 15,264	\$ 529 52,222	\$ 923 3,679
\$ 503	\$ 25,886	\$ 52,751	\$ 4,602

MONROE COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Monroe County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund, Public Jail Properties Corporation Bond Fund, and Monroe County Fire and Rescue Squad as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Monroe County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

MONROE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1998
 (Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. The county met the requirements stated above, and as of June 30, 1998, deposits were fully insured or collateralized at a 100% level with securities held by the county's agent in the county's name.

	<u>Bank Balance</u>
Collateralized with securities held by pledging depository institution in the county's name	\$ 356,019
Uncollateralized and uninsured	<u>0</u>
Total	<u>\$ 356,019</u>

Note 3. Long- Term Debt

As of June 30, 1998, the county was liable for \$25,000 of mortgage revenue bonds issued by the Monroe County Public Properties Jail Corporation. On December 31, 1983, \$630,000 of mortgage revenue bonds were issued at various interest rates. On October 24, 1989, another \$520,000 of mortgage revenue bonds were issued to refinance the first bond issue. Proceeds from the second bond issue were deposited in an escrow account to be used to pay off the bonds from the 1983 issue as they matured. On December 1, 1993, the outstanding 1983 bonds were recalled and paid in full. The 1989 issue of bonds will be fully amortized December 1, 1998. Debt service requirements are:

MONROE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 3. Long- Term Debt (Continued)

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	<u>\$ 888</u>	<u>\$ 25,000</u>
Total Bonds Outstanding		\$ 25,000
Bonds Retired as of June 30, 1998		<u>495,000</u>
Total Bond Issue		<u>\$ 520,000</u>

Note 4. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

<u>Description</u>	<u>Annual Payment</u>	<u>Term of Agreement</u>	<u>Ending Date</u>	<u>Principal Balance 6/30/98</u>
Fire Truck and Equipment	\$ 15,665	10 years	04/15/05	\$ 83,869

Note 5. Litigation

In April 1998, the Monroe County Attorney, on behalf of the Monroe County Fiscal Court and Monroe County Taxing Districts, filed a lawsuit against the former Monroe County Sheriff Beverly McClendon and his bonding company, Ohio Farmers Insurance Company. This lawsuit seeks to recover the deficit of \$180,726 in the former Sheriff's tax account. On March 31, 1999, this lawsuit was amended to include the deficit of \$64,973 in the former Sheriff's fee account. This lawsuit is currently pending in Monroe County Circuit Court.

Note 6. Subsequent Events

As of August 25, 1998, the Monroe County Fiscal Court is liable for an unsecured note payable to Peoples Bank of Tompkinsville in the amount of \$66,270. This note payable is a liability of the Road Fund. Purpose of the note is for the purchase of a tractor/mower/ditcher. The note matures upon demand and the interest rate is 7.75 percent. The Monroe County Fiscal Court is in compliance with the terms of the agreement as of June 2, 1999

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

MONROE COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	Budgeted Operating Revenue	Actual Operating Revenue	Over (Under) Budget
General Fund	\$ 845,527	\$ 913,900	\$ 68,373
Road and Bridge Fund	736,019	874,648	138,629
Jail Fund	59,251	94,518	35,267
Local Government Economic Assistance Fund	5,389	10,622	5,233
Kentucky Community Development Block Grant Fund	150,000		(150,000)
Total	<u>\$ 1,796,186</u>	<u>\$ 1,893,688</u>	<u>\$ 97,502</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 1,796,186
Add: Budgeted Prior Year Surplus			437,768
Less: Other Financing Uses			<u>(72,967)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 2,160,987</u>

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SCHEDULE OF OPERATING REVENUE

MONROE COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes</u> <u>and Excess Fees</u>				
Taxes:				
Sheriff	\$ 7,959	\$ 7,959	\$	\$
Monroe County Tax Project	43,673	43,673		
Franchise - Cellular Settlement	2,812	2,812		
County Clerk:				
Deed Transfer Tax	12,130	12,130		
Occupational Licenses	280	280		
Delinquent Taxes	2,518	2,518		
Excess Fees - 1997	34,878	34,878		
Excess Fees - 1998	7,394	7,394		
Bank Deposit Franchises	28,908	28,908		
Tangible Personal Property Taxes:				
Other Counties	3,994	3,994		
County Clerk	39,486	39,486		
Omitted	749	749		
Occupational Employment Tax	443,596	443,596		
In Lieu of Taxes:				
TVA	16,721	16,721		
Telephone 911 Fee	89,988	89,988		
Totals	<u>\$ 735,086</u>	<u>\$ 735,086</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 1,200	\$ 1,200	\$	\$
Community Development Block				
Grant - HUD Disaster				
Recovery Initiative	4,114		4,114	
Totals	<u>\$ 5,314</u>	<u>\$ 1,200</u>	<u>\$ 4,114</u>	<u>\$ 0</u>

MONROE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Public Jail Properties Corporation Bond Fund	Monroe County Fire and Rescue Squad Fund
<u> </u>	<u> </u>	<u> </u>

\$	\$	\$
----	----	----

<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>
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\$	\$	\$
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<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>
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MONROE COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1998
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 45,301	\$	\$	\$ 45,301
Medical Allotments	3,544			3,544
Driving Under The Influence Fees	1,536			1,536
Housing State Prisoners	29,188			29,188
Bailiff Fees	2,928			2,928
County Road Aid	703,581		703,581	
Truck License Distribution	151,651		151,651	
Courthouse Rental - Administrative				
Office of the Courts	74,572	74,572		
Refunds:				
Legal Process Tax	68	68		
Drivers Licenses	1,092		1,092	
Severance Taxes:				
Mineral	10,107			
Board of Assessments	150	150		
Grants:				
Disaster and Emergency Services:-				
Search and Rescue Program	2,368			
Fire Department State-Aid	5,000			
Ambulance	15,438	15,438		
Totals	\$ 1,046,524	\$ 90,228	\$ 856,324	\$ 82,497

Miscellaneous Revenue

Interest	\$ 17,967	\$ 4,604	\$ 9,590	\$ 531
Circuit Court Clerk:				
Jail Cost	2,460			2,460
Security Service Fees	2,190			2,190
Work Release	1,490			1,490
Jail Bond Acceptance Fees	1,465			1,465
Housing Prisoners - Other Counties	2,410			2,410
Housing Juveniles - Other Counties	1,260			1,260
Licenses and Permits:				
Cable TV Franchise	8,621	8,621		

MONROE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Public Jail Properties Corporation Bond Fund	Monroe County Fire and Rescue Squad Fund
<u> </u>	<u> </u>	<u> </u>

\$ \$ \$

10,107

2,368
5,000

<u> </u>	<u> </u>	<u> </u>
\$ 10,107	\$ 0	\$ 7,368

\$ 515 \$ 2,727 \$

MONROE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue (Continued)</u>				
Charges for Services:				
Garbage Collection	\$ 47,346	\$ 47,346	\$	\$
Fire Runs	5,040	5,040		
Donations	8,706			
Insurance Reimbursement	15,409	15,409		
Other Reimbursement	5,494	5,480		
Surplus Machinery and Equipment Sales	4,610		4,610	
Miscellaneous Items	1,111	886	10	215
Totals	<u>\$ 125,579</u>	<u>\$ 87,386</u>	<u>\$ 14,210</u>	<u>\$ 12,021</u>
Total Operating Revenue	<u><u>\$ 1,912,503</u></u>	<u><u>\$ 913,900</u></u>	<u><u>\$ 874,648</u></u>	<u><u>\$ 94,518</u></u>

MONROE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Public Jail Properties Corporation Bond Fund	Monroe County Fire and Rescue Squad Fund
\$	\$	\$
		8,706
		14
<hr/>		
\$ 515	\$ 2,727	\$ 8,720
<hr/>		
\$ 10,622	\$ 2,727	\$ 16,088
<hr/>		

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

MONROE COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 48,313	\$ 48,313	\$
Deputy County Judge/Executive	20,000	20,000	
Office Materials and Supplies	5,196	5,196	
Other Materials and Supplies	4,332	4,332	
Registrations, Conferences, and Training	2,448	2,205	243
Office of County Attorney:			
Salaries-			
County Attorney	15,000	15,000	
Secretary	11,100	11,100	
Office Materials and Supplies	3,500	3,498	2
Office of County Clerk:			
Tax Bill Preparation	4,223	4,223	
Office Materials and Supplies	15,249	15,249	
Office of Sheriff:			
Deputy Salary	5,284	5,284	
Sheriff Expenses	20,000	19,899	101
Motor Vehicle	15,409	15,000	409
Office of County Coroner:			
Salaries-			
County Coroner	7,200	7,200	
Deputy Coroner	3,600	3,450	150
Autopsies and Attendant Service	3,728	3,303	425
Materials and Supplies	6,665	6,665	
Fiscal Court:			
Magistrates-			
Salaries	21,000	21,000	
Expense Allowances	18,000	18,000	
Advertising	3,572	3,572	

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Office of Property Valuation Administrator:			
Statutory Contribution	\$ 9,301	\$ 9,301	\$
Office of Board of Assessment Appeals:			
Per Diem	300	300	
Office of County Treasurer:			
County Treasurer Salary	20,000	20,000	
Office of Tax Administration:			
Occupational Tax Director Salary	18,000	18,000	
Office Materials and Supplies	2,500	1,710	790
Refunds	8,000	7,438	562
Property Tax Collection Staff Salary	2,000	2,000	
County Law Library:			
Law Librarian Salary	1,200	1,200	
Elections:			
Per Diem-			
Election Commissioners	1,000	660	340
Election Officers	4,000	3,393	607
Maintenance and Repairs-			
Voting Machines	1,200	1,200	
Printing, Stationery, and Forms	6,000	5,711	289
Economic Development:			
Contribution - Industrial Foundation	4,500	4,500	
Courthouse:			
Salaries-			
Dispatcher	7,500	7,320	180
Janitors	17,000	15,765	1,235
Maintenance and Repair Services -			
Building	27,492	27,492	
Elevator Maintenance	4,000	3,663	337
Custodial Supplies	7,000	6,591	409

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Courthouse: (Continued)			
Telephone	\$ 16,000	\$ 15,887	\$ 113
Utilities	38,659	38,659	
<u>Protection to Persons and Property</u>			
County Fire Department:			
Principal on Lease	8,989	8,989	
Interest on Lease	6,677	6,676	1
Miscellaneous	1,732	1,375	357
Disaster and Emergency Services:			
Director Salary	2,400	2,400	
Program Support	100		100
Travel	100	46	54
Ambulance Service:			
State Grant - Contributions	15,438	15,438	
Emergency Dispatch Service:			
Contracts with Private Agencies	82,530	82,530	
Office of Public Defender:			
Mandated Program Support	1,425	1,425	
<u>General Health and Sanitation</u>			
Dog Control:			
Contracts with Government Agencies	607	125	482
Solid Waste:			
Coordinator Salary	15,000	14,653	347
Consultants	2,650	2,363	287
Lease Payments - Transfer Station	25,000	25,000	
Utilities	3,000	2,301	699
Transporting and Landfill Use	51,606	51,606	

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Health and Sanitation (Continued)</u>			
Water System:			
Contribution	\$ 1,200	\$ 1,200	\$
<u>Social Services</u>			
Senior Citizens Program:			
Maintenance and Repair Services -			
Building	718	225	493
Utilities	2,000	1,802	198
Services to Children and Youth:			
Contribution	10,627	10,627	
<u>Recreation and Culture</u>			
Public Libraries:			
Contribution	2,500	2,500	
<u>Airports</u>			
Airport Operations and Maintenance:			
Contribution	3,000	3,000	
<u>Administration</u>			
General Services:			
Audit Services	68,162	68,162	
Bank Charges	100	52	48
Insurance - Building and Contents	46,928	46,067	861
Insurance - Premium on Fidelity and			
Surety Bonds	5,000	4,273	727
Memberships	10,000	9,010	990
Miscellaneous	6,701	6,701	
Contingent Appropriations:			
Reserve for Transfers	32		32

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Fringe Benefits:			
County Contributions-			
Social Security	\$ 30,500	\$ 30,355	\$ 145
Health Insurance	27,000	26,922	78
Worker's Compensation	16,799	16,252	547
Unemployment Insurance	243		243
Total Operating Budget	\$ 878,235	\$ 865,354	\$ 12,881
Other Financing Uses:			
Transfers to Monroe County Fire and Rescue Squad Fund	6,115	6,115	
Total General Fund	\$ 884,350	\$ 871,469	\$ 12,881
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 23,315	\$ 23,315	\$
Road Maintenance:			
Equipment Operators Salaries	86,500	85,823	677
Contracted Services	40,000	39,489	511
Road Materials	562,712	553,232	9,480
Uniforms	3,500	2,961	539
Machinery and Equipment - Repairs	20,000	18,899	1,101
Miscellaneous	2,000	1,632	368
<u>Debt Service</u>			
Lease-Purchase Agreement:			
Principal on Equipment	50,000	50,000	
Interest on Equipment	1,258	1,258	

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Capital Projects</u>			
Other Capital Projects:			
Contracted Construction - Bridges	\$ 38,900	\$ 38,900	\$
Other Equipment	50,842	49,999	843
<u>Administration</u>			
General Services:			
Bank Charges	100	53	47
Fringe Benefits:			
County Contributions-			
Social Security	8,500	8,349	151
Health Insurance	8,400	7,777	623
Distributions to Other Governmental Agencies:			
Monroe County Water District	88	88	
Total Road and Bridge Fund	<u>\$ 896,115</u>	<u>\$ 881,775</u>	<u>\$ 14,340</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 34,000	\$ 34,000	\$
Jail Personnel	80,800	80,687	113
Bailiff	2,928	2,928	
Operations-			
Cleaning Supplies	1,142	932	210
Food	33,217	33,217	
Jail Linens	505	505	
Office Supplies	500	144	356
Pest Control	270	270	
Prisoner Clothing	500	185	315
Routine Medical	7,613	7,375	238

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property</u> <u>(Continued)</u>			
Office of Jailer: (Continued)			
Operations-(Continued)			
Telephone	\$ 2,152	\$ 2,102	\$ 50
Transporting Prisoners to Other Counties	1,500	1,467	33
Utilities	16,448	16,448	
Housing Prisoners - Other Counties	12,195	12,195	
Miscellaneous Operating Expense	800	747	53
Maintenance-			
Equipment Repairs	2,308	2,308	
Equipment-			
Food Service Equipment	500		500
Motor Vehicle	1,500	261	1,239
Juvenile Detention:			
Housing Prisoners - Other Counties	7,387	5,695	1,692
<u>Debt Service</u>			
Other Debt Service:			
Service Agent Fees	2,500	1,525	975
<u>Administration</u>			
General Services:			
Memberships	250	250	
Registrations, Conferences, and Training	1,233	1,233	
Fringe Benefits:			
County Contributions-			
Social Security	9,000	8,774	226
Health Insurance	9,000	7,820	1,180
Worker's Compensation	2,000		2,000
Unemployment Insurance	1,000		1,000
Total Operating Budget (Carried Forward)	\$ 231,248	\$ 221,068	\$ 10,180

MONROE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>JAIL FUND (Continued)</u>			
Total Operating Budget (Brought Forward)	\$ 231,248	\$ 221,068	\$ 10,180
Other Financing Uses:			
Transfers to Public Properties Jail Corporation Bond Fund	<u>\$ 66,852</u>	<u>\$ 66,852</u>	<u>\$</u>
Total Jail Fund	<u>\$ 529,348</u>	<u>\$ 508,988</u>	<u>\$ 20,360</u>
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>Roads</u>			
Road Maintenance:			
Materials	<u>\$ 5,389</u>	<u>\$ 0</u>	<u>\$ 5,389</u>
<u>KENTUCKY COMMUNITY DEVELOPMENT BLOCK GRANT FUND</u>			
<u>Social Services</u>			
Services to Children and Youth:			
Buildings and Construction	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ 150,000</u>
Total Operating Budget - All Funds	\$ 2,160,987	\$ 1,968,197	\$ 192,790
Other Financing Uses:			
Transfers to Monroe County Fire and Rescue Squad Fund	6,115	6,115	
Transfers to Public Properties Jail Corporation Bond Fund	<u>66,852</u>	<u>66,852</u>	
TOTAL BUDGET - ALL FUNDS	<u>\$ 2,233,954</u>	<u>\$ 2,041,164</u>	<u>\$ 192,790</u>

SCHEDULE OF UNBUDGETED EXPENDITURES

MONROE COUNTY
SCHEDULE OF UNBUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

<u>Expenditure Items</u>	<u>Monroe County Fire and Rescue Squad Fund</u>
Equipment Maintenance	\$ 313
Equipment	7,505
Vehicle Maintenance	1,673
Gas and Oil	1,423
Utilities	1,026
Labor	700
Radios and Pagers	809
Bonuses	1,700
Building Maintenance	2,682
Telephone	1,119
Office and Postage Supplies	928
Janitorial	44
Coupons	759
Miscellaneous	<u>599</u>
Total	<u>\$ 21,280</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Russell Young, County Judge/Executive
Members of the Monroe County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Monroe County, Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated June 2, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Monroe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Monroe County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Russell Young, County Judge/Executive
Members of the Monroe County Fiscal Court
Report On Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
June 2, 1999

**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

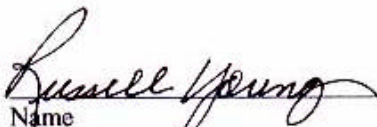
MONROE COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1998


Appendix A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
MONROE COUNTY FISCAL COURT

The Monroe County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name
County Judge/Executive



Name
County Treasurer